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North Dakota
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Statement of Jack Dalrymple, Lt. Governor of North Dakota and Chairman of the North Dakota Crop Protection Product Harmonization and Registration Board

**Testimony to United States Senate Committee on Agriculture, Nutrition and Forestry,
Subcommittee on Production and Price Competitiveness**

RE: S.532 PESTICIDE HARMONIZATION ACT
July 18, 2002

Chairman Conrad, thank you for the opportunity to provide a statement in support of S. 532, the Pesticide Harmonization Act.

My name is Jack Dalrymple. I serve as the Lieutenant Governor of the Great State of North Dakota. I am here today in that capacity, as well as in my role as Chairman of the state's Crop Protection Product Harmonization and Registration Board. I also farm near Casselton, North Dakota, where my family raises wheat, soybeans and barley.

The North Dakota Crop Protection Product Harmonization and Registration Board was created by the state Legislature specifically to address and resolve pesticide availability and pricing fairness issues for the state's farmers. The bi-partisan board consists of elected state officials and farmers who have a common mission of working with regulators and pesticide manufacturers to make effective products available at fair prices. It seeks to promote the registration of new, safe crop protection products for farmers to use on the more than 70 crops that are raised in North Dakota. The Board is conducting an ongoing survey of farmers and pesticide retailers in an effort to establish possible additional applications for the products that are already available.

Primarily, the board is focused on efforts to harmonize the availability and pricing of herbicides, fungicides and insecticides to match those of our world competitors, most notably in Canada, our immediate neighbor to the north.

The facts of North Dakota's agricultural economy and the variety of crops produced in the state will be well established by others testifying here today. Other witnesses have emphasized that North Dakota farmers grow many of the same crops as producers directly across the border in Canada, thereby putting them in direct competition with their Canadian counterparts. I concur with this fact and urge adoption of this bill to begin to alleviate that discrepancy that exists in the relative productions costs.

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Low-priced commodities, higher input costs, and adverse long-term weather conditions leading to increased disease, weed, and insect pressure have challenged North Dakota farmers. These factors contribute to a poor profit outlook for producers. Costs are at a level where farmers simply cannot make a profit.

Because of increased pest problems, coupled with high pesticide costs, the North Dakota Crop Protection Product Harmonization and Registration Board supports this and other legislation that can help make more crop protection products available to farmers at costs that are comparable to those paid by their world competitors.

It is simply unfair that farmers, especially in a border state like North Dakota, are placed at a competitive disadvantage to other countries' farmers, both in terms of availability and price of pesticide products. Pesticide companies are able to charge higher prices in the United States because farmers are prohibited from purchasing similar products in Canada and importing those products to the United States. This bill seeks to provide for joint labeling to effectively accomplish harmonization of pesticide products and their prices.

The Environmental Protection Agency (EPA) here in the United States and its counterpart in Canada, the Pesticide Management Regulatory Agency (PMRA), have tried to address the issue of product availability in their respective countries. While the EPA and PMRA's progress regarding harmonization of new product registrations encourages us, the heart of the issue lies with existing product availability and pricing.

While the pesticide companies often blame the regulatory agencies, it is often the manufacturers themselves who make registration-timing decisions. The decision is impacted by expected return on investment and anticipated competition. This bill will effectively give the states the ability to register those products for the company, thereby bringing those products to market more quickly, to the benefit of the farmers and the companies.

North Dakota's legislature has worked to expedite the chemical harmonization process, including providing the agriculture commissioner with the authority to seek special emergency exemptions on products registered in both countries.

American and Canadian growers produce virtually identical crops and are forced to compete with one another in the global market. Therefore, it is imperative that product availability and price stand on equal footing across borders. S. 532 will be an important step in amending the crop protection trade disparities between our two countries. Free trade policies must be applied consistently. The legislation may prove to be a tremendous asset in the effort to standardize the prices paid for substantially equal pesticides on either side of our shared border.

On behalf of the State of North Dakota and its Crop Protection Product Harmonization and Registration Board, I respectfully request your positive consideration of S. 532. It will provide the mechanism to level a competitive cost disadvantage facing American farmers.

Thank you for your attention.